

KPMG's February 1, 2000 Proposed Scope Change

Proposed Scope Change:

Reduction in time horizon for use in transaction volume projection from eighteen months to six months.

Summary Description:

The methodology suggested in the "Commonwealth of Massachusetts, Department of Telecommunications & Energy, Bell Atlantic OSS Evaluation Project, Master Test Plan" (MTP) for conducting the Normal, Peak and Stress Volume tests against Bell Atlantic's OSS should be revised to replace the eighteen month projection time horizon with a six month time horizon for selecting transaction quantities. KPMG has been exploring this approach for some time now, and considers it to be more appropriate given the level of current commercial activity in BA-North and the availability of actual transaction data.

An assessment of the commercial data reveals that the current competitive environment is generating upwards of 15,000 EDI, GUI and other interface preorder and order transactions per day. This differs from other jurisdictions (New York and Pennsylvania) in which an eighteen-month timeframe was used for transaction volume projections; and where there was virtually no commercial activity. Given this level of activity, KPMG believes that it is unreasonable to expect any business to maintain operational readiness today for projected marketplace activities eighteen months into the future.

Cross-Jurisdictional Comparison: As a means of benchmarking, KPMG has conducted a comparison of transactional volumes sent to BA during the normal volume tests of several different jurisdictions. A summary of said assessment follows:

New York

Total transactions* processed by BA: 16,158

Pennsylvania

Total transactions* processed by BA: 14,000

Massachusetts

Total transaction* processed by BA (projected): 64,044

Based on this assessment, the total transaction volume to be processed by BA-MA using a six month time horizon represents an increase of 296% from NY and 357% from Pennsylvania.

* Total transactions is defined as the number of orders and preorders, including supplements, submitted through either the EDI or GUI interface to Bell Atlantic's OSS from the competitive commercial environment, including KPMG transactions.

18 month vs. 6 month Comparison:

KPMG used inputs from Bell Atlantic and multiple CLECs to produce an independent analysis of projected developments in the local competitive market in the future. The following outlines the differences in projected preorder and order transaction volumes given the reduction in time horizon from 18 months to 6 months.:

Pre-Order and Order

18 month Projected Normal Daily Volume

Total order and preorder transactions processed by BA North : 72,699

6 month Projected Normal Daily Volume

Total order and preorder transactions processed by BA North : 64,044

Based on this assessment, the proposed scope change will decrease total order and preorder transactions processed by BA by 11.9%.

Normal, Peak and Stress Volumes:

In addition to the Normal test figures discussed above, KPMG will be conducting peak-day and stress-day volume tests. KPMG determined daily Peak volumes by looking at recent actual Bell Atlantic North daily volumes, and comparing how the average level of several maximum volume days compared to the average day in that month. KPMG determined stress volumes by looking at recent actual Bell Atlantic data and assuming peak demand by the CLECs in several independent categories was to occur simultaneously (on the same day). In short, the peak-day volume will be 125% of the normal day and the stress-day will begin at 150% of the normal day. Additionally, the stress-day will increase the number of transactions submitted per hour by more than 15% per hour, resulting in a stress-hour of 200%.